

**MINUTES
VENDOR ADVISORY COMMITTEE
JANUARY 6, 2009**

Members Present: P.D. Morrison, Mike Masters, Greg Alexander, Gladys House, Diana Keller, Nancy Evans, Roy Mata, Arlene Dillworth, Ron Pigott (non-voting), Paul Gibson (non-voting)

Members Absent: Ken Sorley

Staff Present: Ron Pigott, David Duncan, Paul Gibson, Kristine Brock, Dr. Rom Haghighi, Kit von Wupperfeld

The meeting was called to order by Chair Mike Masters at 1:15 p.m. All present introduced themselves.

Upon a motion by Greg, seconded by P.D., minutes of the December 11 meeting were approved unanimously.

Item 4 - Participation by Telephone

David Duncan, TPASS' General Counsel, discussed the ability to participate in VAC meetings by telephone. Based on opinions from the Attorney General, if a Committee is purely advisory, and not setting policy, telephone participation is permissible, even if the group is subject to the Open Meetings Act. Arlene commented that opening the VAC to telephone meetings would enable members from areas of the state not currently represented to take part. No action was taken and the item tabled until the need to act arises.

Item 6 – Size of Committee

Ron explained that only the Comptroller or Deputy Comptroller can add members to the Committee, although the VAC can recommend names. Lack of representation from major vendor categories such as road building materials, food, and health services was mentioned. Currently there are nine (9) members. David moved that membership be limited to 15; seconded by P.D. Passed.

Action item: Ron will forward to David suggested names and industry categories to add for recommendation to the Deputy Comptroller.

Item 5 – Disparity Study

Dr. Rom Haghighi gave a presentation on the Disparity Study. Summary: Texas' last study was conducted in 1994 and included only seven (7) agencies; no recommendations were made. In September 2008, the State entered into a contract with MGT of America to conduct a new study including all 230+ agencies. Completion is scheduled for September 2009. It will determine whether remedial programs for racial/ethnic/gender discrimination are needed, based on a random sample of 1005 businesses. Surveys are underway by mail, with telephone and face-to-face interviews with 200 individuals following. The final report will have a section for each agency, calculate aspirational goals, make specific action recommendations for each, assess the success of the HUB program, and identify sources and causes of any disparity.

Gladys asked how the Comptroller's office would prevent disparity occurring prior to study completion. Rom said the study cannot be used for action until it is final. She also asked if the "good faith effort" process could be replaced. Ron added that no changes can be made in the current HUB program as it is legislatively mandated, but that recommendations will be made based on evidence from the completed Disparity Study.

Item 7 – Rules of Operation

Upon a motion by Arlene, seconded by Greg, the proposed Rules of Operation were approved unanimously.

Item 8 – Establishment of Communications Process to Vendor Community and Public

Postponed until February meeting.

Item 9 – Establishment of Process for VAC Members to Communicate with State Agencies

Mike moved that if there is a need as a Committee to communicate with State agencies, it should be channeled through Ron. Seconded by Greg. Discussion: there would be no restriction if a committee member wishes to speak to an agency on their own behalf; this motion covers only communications representing the VAC. Passed unanimously.

Mike moved that the Committee should communicate with Ron through its Leadership Group; seconded by Greg. Discussion: Again, this will not limit individual communication, only that which speaks for the VAC. Passed unanimously.

Item 11 – Meetings the VAC May Wish to Attend or Monitor

Based on a written list provided, the following persons will attend or monitor the following:

Statewide Procurement Advisory Council (SPAC) – P.D.
Council on Competitive Government (CCG) – Mike
Department of Information Resources (DIR) – Mike, Gladys
State Agency Committee on Procurement (SACP) – if re-activated, Diana and Greg will attend.
Legislative Committees – **Action Item:** Ron will send out notices as he becomes aware of items of interest to the VAC, and will send members a link so they can sign up for email notification of hearings.

Item 12 – Presentation on TPASS Division Structure and Functions

Ron gave a brief presentation outlining the various sections of TPASS and what each function was. P.D. asked for an agenda item on state agencies' attempts to circumvent use of the TIBH program. Gladys asked about training on the HUB program, and Ron and Paul explained the training provided.

Item 13 – Revised Performance Assessment Report for HUB Subcontracting Plans

Paul shared the revised form, which added explanations by providing red flags with explanations of the material to be inserted. A second form, driven by the need of some agencies to report funding for projects, was reviewed. A suggestion was made that the requested column, which pertains only to Federal funding, be so labeled, rather than the current "DBE/MBE/WBE Certified".

Item 14 – HUB Program Goals and Functions

Paul reviewed ongoing outreach and promotion efforts. He noted that only 28% of HUB vendors are registered on the Centralized Masters Bidders List (CMBL). The \$70 annual fee may be an issue. The fee is required to pay for the system; with the implementation of newer technology in the future, there may be a possibility that the amount can be reduced.

Item 10 – Establishment of Subcommittees

HUB Issues – P.D., Ray; Diana and Gladys expressed interest in serving. Upon a motion by Mike, seconded by Gladys, P.D. was named chair.

Outreach and Communication – Mike moved and Gladys seconded that Arlene chair this subcommittee.

David Duncan noted that subcommittee membership should be restricted to four (4) people or less, or meetings would be subject to the Open Meetings Act. He also mentioned that any action subcommittees wish to take must be approved by the VAC.

Item 15 – Public Comment

None.

Item 16 – Future Agenda Items and Next Meeting

- Establishment of Process for Communicating VAC Goals, Objectives and Projects to the Vendor Community and Public, and for Training Vendors
- Participation in VAC Meetings by Telephone
- Circumvention of Requirement by State Agencies to Purchase from TIBH
- Contingency Contracts
- Texas SmartBuy Program

The following will be standing agenda items:

- Legislative Update
- Reports from Other Committee Meetings Attended
- Subcommittee Reports

The next meeting is scheduled for February 3.

Greg moved the meeting be adjourned; P.D. seconded. Adjourned at 4:05 p.m.